

Service Date: Aug. 17, 1992

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Application)	
of THE MONTANA POWER COMPANY for)	UTILITY DIVISION
Authority to Issue a Total of)	
1,000,000 Shares of Common Stock)	DOCKET NO. 92.7.33
for use in its Long-Term)	
Incentive Plan for Compensating)	DEFAULT ORDER NO. 5641
Employees.)	

On July 16, 1992, The Montana Power Company (MPC) filed with the Public Service Commission a verified application, pursuant to Montana Code Annotated Sections 69-3-501 through 69-3-507, seeking an Order authorizing the issuance of 1,000,000 shares of Common Stock (Stock). The Stock to be issued will be sold or granted to employees of MPC by the Board of Directors pursuant to the Long-Term Incentive Plan (Plan) described in the application. The application is supported by exhibits and resolutions of the Board of Directors in accordance with the Commission practice and rules and regulations governing the authorization of issuance of securities by public utilities. The application states that MPC's Board of Directors determined that the Long-Term Incentive Plan should be implemented to reward employees who make important contributions to the continued growth, development and financial success of The Montana Power Company or its subsidiaries and to attract and retain such employees. The application further states that MPC will file promptly with this Commission the implementation plans which are developed from time to time under the Plan.

Having considered the application and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1.The issuance and sale or grant of a total of 1,000,000 shares of Common Stock, as hereinafter authorized, for the purpose of implementing the Plan, is for lawful purposes and is

consistent with the public interest.

2. Notice of the filing of the application has been duly given.

3. Due consideration has been given to the matters presented by the application.

4. The application should be approved as hereinafter ordered.

CONCLUSION OF LAW

The application complies with Sections 69-3-501 through 69-3-507 MCA and other Montana laws, and the application should therefore be granted as hereinafter ordered.

ORDER

At a session of the Commission of the State of Montana held in its offices at Helena, Montana, on August 10, 1992, there came before the Commission the application above described.

IT IS THEREFORE ORDERED by the Commission that:

1. The application of The Montana Power Company for an Order authorizing the issuance of an additional 1,000,000 shares of its Common Stock in connection with its Plan is hereby approved and the issuance of such stock is authorized under the provisions of this Order pursuant to Sections 69-3-501 through 69-3-507, MCA.

2. MPC shall file promptly with the Commission implementation plans as they are developed, including the types of Awards to be made, the eligibility criteria, the number of shares of Common Stock issued hereunder to be used and all other implementation details.

3. Issuance of this Order does not constitute acceptance of Montana Power Company exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

4. Approval of the application shall not be construed as precedent to prejudice any further action of the Commission.

5. Section 69-3-507, MCA, provides that neither the issuance of securities by Montana power Company pursuant to the provisions of this Order, nor any other act or deed done or performed in connection with the issuance, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed.

DONE IN OPEN SESSION at Helena, Montana this 17th day of August, 1992, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DANNY OBERG, Chairman

WALLACE W. "WALLY" MERCER, Vice Chairman

BOB ANDERSON, Commissioner

JOHN B. DRISCOLL, Commissioner

TED C. MACY, Commissioner